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U.S. WINTER WHEAT PRODUCTION DOWN 9 PERCENT

Winter wheat production is forecast at 1.55 billion bushels, down 9 percent from 2003. Based on May 1 conditions, the U.S. yield is forecast at 44.2 bushels per acre, 2.5 bushels less than last year. Grain area totals 35.1 million acres, down 4 percent from last season.

MINNESOTA HAY STOCKS DOWN FROM LAST YEAR

Minnesota stocks of all hay totaled 575,000 tons on May 1, 2004, down from 815,000 tons on May 1 of the previous year and down from 680,000 tons in 2002.

U.S. stocks of all hay on farms totaled 25.9 million tons on May 1, 2004, up 17 percent from May 1 of the previous year.

U.S. CATTLE ON FEED UP SLIGHTLY

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.75 million head on April 1, 2004. The inventory was slightly above April 1, 2003 and 7 percent below April 1, 2002. The inventory included 6.62 million steers and steer calves, down 2 percent from the previous year. This group accounted for 62 percent of the total inventory. Heifers and heifer calves accounted for 4.06 million head, up 4 percent from 2003.

Placements in feedlots during March totaled 1.80 million, 11 percent below 2003 and 8 percent below 2002. Net placements were 1.74 million. During March, placements of cattle and calves weighing less than 600 pounds were 347,000, 600-699 pounds were 346,000, 700-799 pounds were 641,000, and 800 pounds and greater were 470,000.

Marketings of fed cattle during March totaled 1.97 million, 9 percent above 2003 and 8 percent above 2002.

Other disappearance totaled 67,000 during March, 8 percent above 2003 and 3 percent below 2002.

Upcoming Releases: Crop Production on June 11 at 8:30 a.m.
Quarterly Hogs and Pigs on June 25 at 3:00 p.m.
Agricultural Prices on June 29 at 3:00 p.m.
Crop Acreage and Grain Stocks on June 30 at 8:30 a.m.

All reports can be viewed on the world wide web at www.usda.gov/nass shortly after the scheduled release time. Times shown are eastern time zone.

Cattle on Feed: Number on Feed, 1,000+ Capacity Feedlots, by Month, State, and United States 2003-2004 1/

State	Apr 1, 2003	Mar 1, 2004	Apr 1, 2004 Number	Apr 1, 2004 as % of 2003	Apr 1, 2004 as % of Mar
	1,000 Head	1,000 Head	1,000 Head	Percent	Percent
AZ	278	295	293	105	99
CA	475	500	495	104	99
CO	970	1,020	970	100	95
ID	280	265	255	91	96
IA	375	405	415	111	102
KS	2,320	2,390	2,360	102	99
NE	2,190	2,270	2,210	101	97
NM	105	112	105	100	94
OK	340	335	330	97	99
SD	210	210	205	98	98
TX	2,670	2,690	2,640	99	98
WA	180	175	170	94	97
Oth Sts	320	310	300	94	97
US	10,713	10,977	10,748	100	98

1/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.

NUMBER OF LAKE REGION WORKERS UP 1,000 FROM APRIL 2003

Lake Region: There were 57,000 hired workers on Lake Region (Minnesota, Michigan, and Wisconsin) farms during the survey week of April 11-17, 2004, up by 1,000 from a year ago. Weather conditions in Minnesota during the survey week and the week that preceded it were dry with above-average temperatures, resulting in land preparation and planting of major crops being ahead of last year and the 5-year average in all Minnesota major crop production reporting districts. Farm operators paid their hired workers an average wage rate of $10.10 per hour during the April 2004 survey week, up by 20 cents from $9.90 in April 2003. Field workers received an average of $9.20 per hour, an 11 cent decrease from a year ago. Livestock workers earned $9.95 per hour compared with $9.20 a year earlier. The Field and Livestock Workers combined wage rate at $9.60 per hour, was up by 34 cents from last year. The number of hours worked averaged 35.5 for hired workers during the survey week compared with 37.0 hours a year ago.

WORKERS ON FARMS, HOURS WORKED PER WEEK, AND WAGE RATES FOR ALL HIRED WORKERS, LAKE REGION AND UNITED STATES, APRIL 2004

	Lake Region 1/		United States 2/	
	April 6-12 2003	**April 11-17 2004**	**April 6-12 2003**	**April 11-17 2004**
	1,000 Workers			
Workers on Farms				
All Hired Workers	56	57	938	1,077
	Hours Per Week			
Hours Worked				
All Hired Workers	37.0	35.5	40.1	40.7
	Dollars Per Hour			
Workers By Work Type				
Field	9.31	9.20	8.40	8.46
Livestock	9.20	9.95	8.75	8.95
Field & Livestock	9.26	9.60	8.49	8.58
All Workers	9.90	10.10	9.16	9.22

1/ Lake Region = Minnesota, Michigan, and Wisconsin. Excludes agricultural service workers. 2/Excludes Alaska.

MINNESOTA POTATO STOCKS 28 PERCENT ABOVE 2003 LEVEL

May 1 Stocks: Minnesota's fall potatoes in storage totaled 5.5 million hundredweight, 28 percent above the May 1, 2003 level. Stocks in Area 1 totaled 1.5 million hundredweight, up 67 percent from 2003 and stocks in Area 2 totaled 4.0 million hundredweight, up 18 percent from 2003.

MINNESOTA FALL POTATO STOCKS BY REGION

Region 1/	May 1, 2003		May 1, 2004	
	Stocks 2002 Crop	Percent of Total Stocks	Stocks 2003 Crop	Percent of Total Stocks
	1,000 Cwt		1,000 Cwt	
MN Area 1	900	21	1,500	27
MN Area 2	3,400	79	4,000	73
State Total	4,300	100	5,500	100

1/ Minnesota Area 1 includes the following counties: Kittson, Roseau, Lake of the Woods, Marshall, Beltrami, Pennington, Polk, Red Lake, Mahnomen, Norman, Clearwater, Clay, Becker and Wilkin counties. Minnesota Area 2 includes all remaining counties in the State.

APRIL EGG OUTPUT DOWN 2 PERCENT IN STATE

Minnesota layers produced 246 million eggs during April 2004 versus 252 million in April 2003, a decrease of 2 percent. Laying flocks in the U.S. produced 7.34 billion eggs in April, up 2 percent from a year ago.

POULTRY STATS - APRIL

		2003	2004
Total Eggs Produced	MN	252 Mil.	246 Mil.
	U.S.	7,187 Mil.	7,343 Mil.
Number of Layers	MN	11.3 Mil.	10.8 Mil.
	U.S.	338.2 Mil.	341.9 Mil.
Eggs per 100 Layers	MN	2,229 Mil.	2,269 Mil.
	U.S.	2,125 Mil.	2,148 Mil.
CHICKENS: Hatched (April) Egg-Type	MN	1.5 Mil.	0.8 Mil.
	U.S.	37.8 Mil.	37.5 Mil.
Broiler-Type	U.S.	760.6 Mil.	774.5 Mil.
Eggs in Incubators (May 1) Egg-Type	WNC*	8.8 Mil.	6.5 Mil.
	U.S.	35.2 Mil.	34.1 Mil.
Broiler-Type	WNC*	23.7 Mil.	25.7 Mil.
	U.S.	646.4 Mil.	660.6 Mil.
TURKEYS: Placed (April)	WNC*	8.9 Mil.	9.2 Mil.
	U.S.	24.9 Mil.	24.7 Mil.
Eggs in Incubators (May 1)	WNC*	11.9 Mil.	10.8 Mil.
	U.S.	32.1 Mil.	29.7 Mil.

*West North Central Region (Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota, and Minnesota)

APRIL MILK OUTPUT DOWN 4 PERCENT IN MINNESOTA

Totaling 688 million pounds, the state's April milk production was down 4 percent from April 2003.

Output per cow was 1,480 pounds in April, down 20 pounds from April 2003. Milk cows for April averaged 465,000 head, the same as March, but 10,000 below a year ago.

April 2004 milk output in the 20 major states was 12.58 billion pounds, down 1 percent from April 2003. Milk cows in the 20 states averaged 7.72 million head, down 81,000 from the previous year. At 1,630 pounds, production per cow was 3 pounds greater than April 2003.

MARCH/APRIL 2004 MILK STATS

State	Milk Production		Percent of Previous Year	
	Mar	Apr	Mar	Apr
	Million Lbs.		Percent	
California	3,095	3,068	100	101
Idaho	735	729	101	102
Minnesota	**702**	**688**	**95**	**96**
New York	997	974	95	95
Pennsylvania	885	870	95	95
Wisconsin	1,916	1,865	99	100
20 States	12,798	12,584	98	99

WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

WHEAT: The 2004/05 outlook for U.S. wheat is for a significant decline in production, lower exports, and marginally lower ending stocks. Total production is projected down 11 percent from 2003/04 to 2,080 million bushels due to lower area and yields. Today's survey-based forecast of winter wheat production released by NASS is 9 percent below a year earlier because of lower seedings, higher abandonment, and lower yields. Durum and other spring production is projected lower due to smaller seedings reported in the Prospective Plantings report, the assumed 10- year average harvested-to-planted ratios, and trend yields. The smaller total wheat crop is partially offset by larger beginning stocks, but supplies are still down around 8 percent from 2003/04. Projected U.S. use declines 9 percent in 2004/05 because of smaller exports. A return to average flour extraction rates boosts food use by 15 million bushels. Wheat feed and residual use is projected to decline by 25 million bushels. Projected exports of 975 million bushels are 195 million bushels below 2003/04 because larger exportable supplies are expected in the EU-25, Ukraine, and Russia. U.S. ending stocks are projected down 27 million bushels from a year earlier, and remain relatively low at 499 million bushels. The projected price range for 2004/05 is $3.25 to $3.85 per bushel, compared with an estimated $3.40 for 2003/04.

OILSEEDS: U.S. oilseed production for 2004/05 is projected at 90.2 million tons, up 19 percent from 2003/04. Soybean production will account for most of the gain, rising 23 percent to a record 2,965 million bushels (80.7 million tons). Soybean production is based on area reported in Prospective Plantings and trend yields. Other U.S. oilseed production is expected to decline by 0.3 million tons due to smaller peanut, sunflower seed, and canola crops. Soybean supplies are projected to reach a record 3,085 million bushels despite the lowest beginning stocks since 1977. Ending stocks for 2004/05 are projected at 190 million bushels, up 75 million bushels from 2003/04, as supply growth outpaces increases in crush and exports. Soybean crush is projected to rebound sharply from 2003/04, driven by higher domestic soybean meal use and increased meal exports. Soybean exports are projected to increase to 1,080 million bushels for 2004/05. Large U.S. soybean supplies combined with reduced South American supplies and exports this fall are expected to boost U.S. soybean exports to a record level in the new marketing year. Global oilseed production for 2004/05 is projected at a record 378 million tons, up 42.2 million tons from 2003/04. Most of the gain will be from soybeans, with crops in the United States and South America projected to recover from weather, disease, and insect problems experienced in 2003/04.

COARSE GRAINS: The outlook for 2004/05 is for increased feed-grain production, expanding domestic use and exports, lower ending stocks, and higher prices. The U.S. 2004/05 corn crop is projected at 10,425 million bushels, 3 percent above last year's record. The projection is based on Prospective Plantings, harvested-to-planted relationships for 1998-2003 (omitting 2002), and trend yields, adjusted for rapid planting progress. The larger corn crop is mostly offset by smaller projected carryin stocks, leaving total 2004/05 corn supplies marginally above this year's level. Total use of corn in 2004/05 expands due to gains in domestic use and exports. Food, seed, and industrial use is expected to increase 125 million bushels largely due to increased use of corn to produce ethanol for fuel. Feed and residual use is projected to declines due to lower expected fed cattle and hog numbers and increased use of ethanol byproducts. U.S. corn exports are up 50 million bushels, largely because of less competition from China. With use exceeding production, 2004/05 ending stocks of corn are down 65 million bushels. The projected price range for corn is $2.55 to $2.95 for 2004/05, compared with $2.45 to $2.55 for 2003/04. Projected stocks of other feed grains are little changed.

LIVESTOCK, POULTRY, AND DAIRY: NOTE: Due to uncertainties as to the length of the bans regarding the import of ruminant products due to the discovery of a BSE-infected cow in December 2003, forecasts for 2004 and 2005 assume a continuation of policies currently in place. Subsequent forecasts will reflect any announced changes. Total U.S. meat production in 2005 is projected to increase slightly from 2004 as lower red meat output is more than offset by higher poultry meat production. Beef production continues to fall as cattle inventories decline and producers retain heifers for breeding. Pork production is projected slightly lower, as producers have indicated they are cautious about expanding. Broiler and turkey production are expected to rise as strong prices in 2004 and good demand fuel expansion in 2005. Egg production is raised for 2005 based on record-high average egg prices in 2004.

Source: USDA-WASDE -410, May 12, 2004

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